

NCA  
VOC FOR IOP/FN  
BACKGROUNDER 1-0624  
ROD TURNBULL/KANSAS CITY

APRIL 23, 1976

# RAIN IN THE WHEAT BELT

ANNCR:

IT HAS BEEN A LONG TIME, BUT GOOD RAINS FINALLY HAVE FALLEN IN THE DROUGHT AREA OF THE SOUTHWEST PLAINS OF THE UNITED STATES. THIS IS THE AREA WHICH IS OF MOST IMPORTANCE IN PRODUCING HARD RED WINTER WHEAT. THIS IS THE KIND OF WHEAT EXPORTED TO MANY COUNTRIES, AND NATURALLY, THEY HAVE AN INTEREST IN AMERICAN WHEAT PROSPECTS. FROM KANSAS CITY, AGRICULTURE SPECIALIST ROD TURNBULL SENDS THIS BACKGROUND REPORT:

VOICE:

ONE RAIN , EVEN A GOOD RAIN, DOES NOT END THE DROUGHT, AND DOES NOT SOLVE ALL THE PROBLEMS CREATED BY THE DRY WEATHER. BUT IT DOES MEAN THAT THE DRY WEATHER PATTERN HAS BEEN BROKEN, AT LEAST TEMPORARILY. THE DROUGHT IN THE SOUTHWEST HAD PERSISTED MORE THAN FIVE MONTHS -- SINCE ABOUT THE TIME WHEAT WAS BEING PLANTED. AND THERE HAD BEEN NO WIDESPREAD GOOD RAINS OVER MOST OF THAT AREA UNTIL LAST WEEK (APRIL 14-16). RAIN FELL AGAIN EARLY THIS WEEK.

OF COURSE, THE RAINS WILL NOT REVIVE THE WHEAT THAT ALREADY IS DEAD. IN FACT THOUSANDS OF HECTARES OF WHEAT LAND, WHERE THE CROP WAS DEAD OR TOO POOR TO LEAVE FOR HARVEST, ALREADY HAVE BEEN PLOWED UP. THE FARMERS HOPE TO REPLANT WITH OTHER CROPS IF THE RAINS ARE AMPLE FROM NOW ON. BUT RAINS WILL HELP THE WHEAT THAT REMAINS. EVEN THE WHEAT THAT STILL WAS IN PRETTY GOOD SHAPE AFTER THE LONG DRY PERIOD NEEDED MOISTURE BADLY; SO THE RAINS WERE WELCOMED EVERYWHERE. ONE PROBLEM WILL BE CREATED, WHEAT FARMERS AGREED: WHERE THE STAND OF WHEAT IS

VERY THIN, THE ADDED MOISTURE WILL BE A STIMULUS TO WEED GROWTH AND THE WEEDS WILL MAKE HARVESTING DIFFICULT.

A SPECIAL GOVERNMENT CROP REPORT COVERING JUST THE FIVE SOUTHWEST WHEAT STATES WHERE THE DROUGHT HAS BEEN THE MOST PERSISTENT WAS ISSUED APRIL NINTH. THE REPORT ESTIMATED THE TOTAL CROP IN THE FIVE STATES WOULD BE ABOUT FOURTEEN MILLION METRIC TONS, OR ABOUT FIVE MILLION METRIC TONS LESS THAN WERE PRODUCED LAST YEAR IN THE SAME STATES. MANY FARMERS THINK THE GOVERNMENT ESTIMATE ON THE TOTAL YIELD IS TOO HIGH. IN OTHER WORDS, THEY THINK THE DROUGHT HAS DONE MORE DAMAGE THAN THE GOVERNMENT ESTIMATE WOULD INDICATE. THE QUESTION WON'T BE ANSWERED DEFINITELY, OF COURSE, UNTIL THE GRAIN FINALLY IS HARVESTED.

MEANWHILE, ANOTHER U.S. GOVERNMENT CROP REPORT ISSUED APRIL FIFTEENTH ESTIMATED SPRING WHEAT FARMERS IN THE NORTHERN PART OF THE COUNTRY INTEND TO INCREASE THEIR SEEDING BY ABOUT SEVENTEEN PER CENT THIS YEAR. SO, IT COULD BE THAT THE INCREASED PLANTING OF SPRING WHEAT WOULD COME CLOSE TO BALANCING THE LOSSES EXPECTED FROM THE DRY WEATHER IN THE HARD RED WINTER WHEAT AREA OF THE SOUTHWEST.

MEN IN THE GRAIN BUSINESS, SUCH AS THOSE AT THE KANSAS CITY BOARD OF TRADE, HAVE BEEN INCLINED TO AGREE WITH THE FARMERS THAT THE GOVERNMENT ESTIMATE ON HARD RED WINTER WHEAT MAY BE A LITTLE HIGH AT THIS TIME. HOWEVER, SOME OF THEM ARE SUGGESTING NOW THAT IF THE CROP DOES NOT DETERIORATE FURTHER, AND IF THE SPRING RESEEDING IS INCREASED AS THE CROP REPORT SHOWS, THEN THE TOTAL HARVEST OF ALL WHEAT IN THE UNITED STATES THIS YEAR COULD COME NEAR TO FIFTY-FOUR MILLION METRIC TONS. THIS WOULD BE A LITTLE LESS THAN LAST YEAR WHICH WAS THE BIGGEST YEAR IN

HISTORY. BUT IF A CROP OF THAT SIZE IS HARVESTED AND THEN IS ADDED TO THE EXPECTED INCREASED CARRY-OVER FROM THE PREVIOUS HARVEST, THE TOTAL SUPPLY OF WHEAT AVAILABLE WOULD BE COMPARABLE TO THAT OF LAST YEAR, AND SHOULD BE AMPLE FOR BOTH DOMESTIC AND EXPORT NEEDS. IT IS THIS PICTURE OF A GOOD WHEAT SUPPLY THAT HAS WEAKENED U.S. WHEAT PRICES IN RECENT WEEKS, DESPITE THE DRY WEATHER IN THE SOUTHWEST.

-0-

GH/CAK